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Mark Pisano

SCAG Celebrates It's 40th Birthday Mark Pisano Provides Candles & Wishes

New financing strategies proposed as SCAG addresses issues for the coming decades.

In a metropolis of 15 million people spread over 38,000 sq. miles, regional leadership and visionary infrastructure planning are essential. This year the Southern California Association of Governments (SCAG), a Metropolitan Planning Organization for six counties: L.A., Ventura, San Bernardino, Riverside, Orange & Imperial, celebrates its 40th birthday. SCAG is responsible for continuous, comprehensive & coordinated regional transportation planning. It is mandated by the federal government to research and draw up plans for transportation, growth and hazardous waste management, and air quality. This MIR interview of SCAG President, Mark Pisano pays tribute to four decades of SCAG's work in the region.

Mark, SCAG soon celebrates its 40th anniversary. Could you put this 40 years of regional planning experience in context for our readers?

In 40 years, we have come from very humble beginnings to become an entity that has considerable experience and is very active in regional planning. When we started the agency, there were 3 or 4 staff people in rented offices in Burbank and 56 members. Now we have a staff of 110, and 167 members.

SCAG was formed by a number of jurisdictions in a historic meeting in the Biltmore Hotel, at which we responded to the proposal by the state to establish a state subdivision on regional planning. That was the impetus for our formation. There were originally 5 counties participating and eventually it became 6. The last was LA County that came in a couple of years later after LA joined, Tom Bradley became our third president.

Regional governance has been understood as a progressive step toward moving beyond the boundary limitations of cities and counties to address problems that are jurisdictionally insolvable at the local level. Is this not SCAG's mission?

When we first began, large portions of our regions were not urbanized or developed. Orange County had become a county just a few years earlier. The Inland Empire was still an agricultural area. The region contained about 7 million people. In the last 40 years, the region has grown to a population of almost 18 million people, and there is very little un-urbanized space today. Our cities and counties are truly impacting one another. We, furthermore, have developed one interdependent economy. We're all reliant on one another.

The most significant accomplishment in the 40-year time period is that there is now a recognition that we are, in fact, interdependent. I don't think there is any doubt of that among the member jurisdictions of the regional council or among your readers that our actions affect one another in terms of congestion, air quality, housing markets, etc. In the policy debate at the state and federal levels, regions are now an important part of addressing the issues of contemporary 21st century living. The Regional Transportation Plan and Compass Growth Vision that we adopted a year ago has stood the tests of public and peer review and the review of state and federal officials. Our Compass Southern California vision program is being described as probably the most effective statement of regional planning and policy in this country and abroad. We've been recognized by the European and Asian planning communities for the effectiveness of that particular plan.

If we're not able to implement a collective vision for this region, then we are not going to be able to make the region work. Our transportation relief, our air quality emission relief, the ability to address our housing issues are predicated on being able to implement a plan for a region that doesn't have borders. So in terms of what we have accomplished, I would have to say that we have developed a game plan to address the issues that are facing our region, county and the City of Los Angeles.

Our federal and state constitutions do not address regional governance. Given our legal architecture, how does the region emerge as a viable governing entity? How does it evolve over 40 years to find its place coordinate federal, state, county and city authorities?

If you go back to our US Constitution you are not going to find the terms city or county either. The states are the jurisdictions responsible for the delegation of all authority, other than that which is withheld by the federal government. It is left to the states to define how they will operate within their boundaries. You will also find in the federal lexicon much discussion of interstate issues. There is a clear constitutional derivative for the notion of state and interstate to work together to address all those activities that aren't held by the federal government. Turn to state constitutions and you will find that they provide for chartered cities and counties, as well as general law cities. Our state constitution does not define how multiple cities and counties come together. This has been accomplished by allowing cities and counties to attribute portions of their authority to other entities through the Joint Powers Act. This is how SCAG was established. By dint of local leadership, we've been allowed to create an institution that derives its authority from its members. We don't have authority and control over them, which is a major criticism of our structure.

You will find similar efforts across the United States. We have begun to chart what is happening across the country. What we're now beginning to find is that most of the growth in the United States is occurring in metropolitan areas. In the majority of the country, the population base is either declining or is not growing. What is happening in the United States is a metropolitanization of development. In the global environment in which we find ourselves, it is the large metropolitan areas that are the gateways to the global market. Regions that are not gateways, for all practical purposes, are not growing. There are about 8 to 10 large regions in the United States that are accounting for well over two-thirds of the growth in the US today. All of these regions, are developing entities that have the capacity to govern. I think SCAG is on the cusp of that emerging pattern in the US.

Do the regional metropolitan planning agencies in the ten largest metropolitan areas in the country have the authority needed to meet the growth challenges each faces in the next 25-50 years? Does SCAG?

There have been critics of regional governance who have said that, if it doesn't have the command and control and the taxing authority needed, it will not be successful. I suggest that if we wait for that model to go into effect, we will probably miss the wave of growth and development that is emerging in our country and will never be able to effectively manage the growth in our metropolitan area and compete globally.

I suggest that another governance and financing approach is emerging that is based upon a set of goals, outcomes, performance objectives and investments that the needs that people are willing to pay to use, much like we have done in our growth vision and our comprehensive plan. We are going to develop the tools of financing, not of taxing. We are focusing on tools like revenue-backed and market-based financing solutions that will enable us to build the infrastructure and support needed for these large regional systems. In that respect our region has been one of the national leaders. The Alameda Corridor that we developed 20 years ago is the national model.

The governor and the Speaker and the Senate Pro Tem have all introduced legislation indicating that this is the kind of financing framework that we are going to move to in transportation. It is a financing framework that were now employing to build our water supply, our wastewater treatment facilities, and our flood control. By the way, this is not a new model for the United States. Prior to the 1950s, this country used that model to grow and develop for its first 150 years. I think we're going to go back and dust off some

financing and organizational principles that we abandoned 40 or 50 years ago, and we are going to revitalize them.

That's the model that we have put forward. I believe that SCAG—and this is one of our major contributions in our 40 year history—has really pioneered how regions will operate in the future, that are being incorporated by the governor and legislature into legislative proposals in Sacramento. The federal government is reintroducing the same financing structures to be followed by all 50 states. We are now working with a coalition of 11 states on the federal bill to get these provisions introduced.

To summarize, you're seeing the emergence of regional growth patterns and the resulting need for regional governance structures and decision making processes that set out goals and objectives and start framing projects that will be paid for by a number of different revenue streams. I believe that we are defining the model that will in fact be used over the rest of this century. It is a model that will, in fact, be implemented.

Is moving to fee-based financing enough, or do we need to reconsider Prop. 13? What else do we need to do to encourage the interdisciplinary, everything-connected-to-everything-else solutions needed to confront the challenges of the 21st Century?

You've asked two or three questions. One question is whether what I am describing will encourage us to link the knee bone, with thigh bone, with the hip bone: the land use with transportation and housing. Let me argue that what we have done in the past 50 years has created a distorted system in which there are not linkages between those elements. We have propelled ourselves into dysfunctional growth patterns. Furthermore we've established planning through CEQA and NEPA, which are project oriented and result in projects whether or not we have a comprehensive plan. No one likes the result. The public doesn't like it; they are angry and they are frustrated. The political leaders are disquieted. They find themselves in impossible political situations because their constituents are angry. The business community is frustrated and feels businesses can't sustain their competitive edge. The environmentalists are not at all happy with the state of affairs either.

I believe that the instruments that we are putting on the table are the only way that we will get to a better outcome. If we fund transportation with sales tax, there is no nexus between the tax and the usage. If we fund transportation with gasoline taxes there is a better nexus but even that isn't good with the increased efficiency we have with our vehicles. If we fund transportation on the basis of use, the financing, transportation and the growth and development decisions become absolutely interdependent. We have done enough detailed modeling and analytical work to be able to demonstrate that if we use these instruments, we will be successful.

The second question you posed is how to deal with local government financing. I'm going to suggest that we are going to have to put in place revenue systems to allow users to pay for what they are consuming. We are going to have to put in place the capacity of our local governments and our regions to be able to fund the kind of services and the kind of infrastructure to support growth. This financing approach is consistent with Proposition 13. I think there are ideas on the table that will allow us to move forward. If we don't find ways to allow communities to pay for the outcomes their residents need and will use, we will not develop communities that are livable.

We are also going to have to be able to take planning from project level, with its second-guessing environmental review, and move that work earlier in our planning processes. If that work isn't done up front, we're not going to be able to solve our growth and development dilemma.

What he have been talking about is the body of work that SCAG has pioneered in the past decades. The reason we've been able to do it is that we took the notion of cities and counties coming together quite literally and expanded our board from 2 to 76 people. We created sub regions in which every city and every elected official has an opportunity to participate. We changed to a goal-oriented, outcome-based decision making process. We took all the sacred cows and put them on the table. We evaluated them according to whether they were really accomplishing what they claimed to accomplish. These institutional changes that

SCAG has made quietly, without a lot of fanfare, have created the kind decision-making and governance structure that I believe will be mainstream in the 21st Century.

What do the next few years hold for SCAG, in terms of moving its mission and agenda?

We need to all understand our interdependency, particularly that the City and County of Los Angeles are now more dependent upon the region than maybe they realize. Therefore one of the elements of moving forward is for the regional leadership to continue to grow and develop. That's number one, to build our base from the bottom. The second critical factor is for the state and federal government to give us the tools. The third is that we are going to have to recognize that the global economy means that things can be done anywhere, whether its high tech work or manufacturing jobs. We need to figure out how we are going to compete in such a truly global economy. Fourth, we also have to recognize that if we don't create a sustainable environment, no matter how much we grow and develop, and how competitive we are, we are not building a better world for our children.

The final issue is the need to build an economy and society in which every single individual benefits. In our region, we have built a society and economy in which the majority are not really able to take advantage of its benefits. We have the lowest wage rate and per capita income of the major regions in the US. We need a region in which the majority of the people can afford a home and afford to live. Equity within our region is one of the basic objectives that we have been working on. If we do these things over the next several years, Southern California will have great promise, and the 40-year experiment of SCAG will pay off.